



ACCESS LETTERS CONTRACT CHANGE NOTICE: NUMBER 064

CHANGES AFFECTING NATIONAL PRICE PLAN ONE (SSCS), AVERAGED PRICE PLAN TWO (ZONES) AND REGIONAL PRICE PLAN (ZONES)

DATE: 22 September 2020

This notice applies to you if you hold an **Access Letters Contract (Contract)** with **Royal Mail Group Limited**, a company registered in England and Wales (number 04138203) with its registered address at 100 Victoria Embankment, London EC4Y 0HQ.

1 Definitions and interpretation

- 1.1 If a word or expression is defined in this notice, it shall have the meaning given in this notice.
- 1.2 Any words or expressions which are not defined in this notice, but have an initial capital letter, shall have the meanings given to them in the Contract.
- 1.3 For the purpose of this notice, the following terms will apply to Options A, B and D of Schedule 3: Price Plans:

2020/2021 Financial Year means the period between 1 April 2020 and 31 March 2021.

End of the Year Assessment means:

- (a) in respect of National Price Plan One (SSCs), assessing your conformance with the Benchmarks;
- (b) in respect of Averaged Price Plan Two (Zones) and Regional Price Plan (Zones), assessing your conformance with Royal Mail Zonal Posting Profile,
- (c) in each case during the 2020/2021 Financial Year.

Q1 Period means the period between 1 April 2020 – 30 June 2020.

Q2 Period, Q3 Period and Q4 Period means each 3 month period between 1 July 2020 and 31 March 2021.

Q2 to Q4 Period means the period between 1 July 2020 – 31 March 2021.

Quarterly Assessment means:

- (a) in respect of National Price Plan One (SSCs), assessing your conformance with the Benchmarks;
- (b) in respect of Averaged Price Plan Two (Zones) and Regional Price Plan (Zones), assessing your conformance with Royal Mail Zonal Posting Profile,

in each case on a quarter by quarter basis during the Q2 to Q4 Period.

- 1.4 All of the rules about how to interpret the Contract shall apply to this notice.

2 Changes to the Contract if you have opted for National Price Plan One (SSCs)

2.1 The changes detailed in this paragraph 2 will take effect 190 days from the date of this notice and will apply only to your Daily Postings during the 2020/2021 Financial Year. Unless an existing paragraph of Option A to Schedule 3: Price Plans, National Price Plan One is specifically amended by this notice, it shall continue to apply un-amended to your Daily Postings during the 2020/2021 Financial Year.

2.2 Under Paragraph 12.2 of Option A of Schedule 3: Price Plans, National Price Plan One, we hereby notify you of the following changes to Option A of Schedule 3: Price Plans, National Price Plan One:

(a) Paragraph 3.1 of Option A of Schedule 3: Price Plans, National Price Plan One shall be amended to read as follows:

3.1(a) During the Q1 Period, the geographic spread and urban density of your Daily Postings under this Price Plan will be measured against the National Spread Benchmark and the Urban Density Benchmark by reference to your actual Daily Postings during the Q1 Period and such data will not be used for your End of the Year Assessment.

3.1(b) For your End of the Year Assessment, the geographic spread and urban density of your Daily Postings under this Price Plan will be measured against the National Spread Benchmark and the Urban Density Benchmark by reference to your actual Daily Postings during the Q2 to Q4 Period, unless we base this measurement on the Quarterly Assessments we carry out under this Price Plan in paragraph 8.1 in respect of any or all of Q2 Period, Q3 Period and Q4 Period.

(b) Paragraph 4.1 of Option A of Schedule 3: Price Plans, National Price Plan One shall be amended to read as follows:

4.1 For the purposes of the End of the Year Assessment in respect of your conformance with the National Spread Benchmark:

(i) for the Q1 Period, we shall calculate what percentage of your total volume of Mailing Items was delivered to each SSC during the Q1 Period, but this data shall not be taken into account for the purposes of the End of the Year Assessment;

(ii) for the Q2 to Q4 Period, we shall calculate what percentage of your total volume of Mailing Items was delivered to each SSC during the Q2 to Q4 Period on a cumulative basis. Unless we decide to base our measurements on the basis of the Quarterly Assessments as set in paragraph 3.1(b) above, this data shall be taken into account for the purposes of the End of the Year Assessment on a cumulative basis; and

(iii) where we base our measurements on the Quarterly Assessments as set out in paragraph 3.1(b) above, then for each of Q2 Period, Q3 Period and Q4 Period, we shall calculate what percentage of your total volume of Mailing Items was delivered to each SSC in each quarter. We reserve the right (acting reasonably) to decide whether any data measured on a quarterly basis under this paragraph 4.1(iii) should be discounted from the End of the Year Assessment and any remaining data in respect of your Daily Postings until the end of the 2020/2021 Financial Year will be assessed on a cumulative basis.

We shall then compare your Actual SSC Percentage calculated on the basis of either of the principles set out in this paragraph 4.1 with the National Spread Benchmark for every SSC and express this as a ratio (SSC Ratio) for every SSC. For example, if your Actual SSC Percentage for a particular SSC is 3 per cent, and the National Spread Benchmark for that SSC is 4 per cent, the SSC Ratio for that SSC is 0.75.

- (c) Paragraph 4.2 of Option A of Schedule 3: Price Plans, National Price Plan One shall be amended to read as follows:
- 4.2 We shall apply a Ratio Threshold for each SSC. If your SSC Ratio in any SSC is lower than the Ratio Threshold, that is a Failed SSC. For the 2020/2021 Financial Year:
- (i) you have met the National Spread Benchmark for the Q1 Period, if in both National Profile Areas the number of your Failed SSCs during the Q1 Period is no greater than the SSC Permitted Variance Number for each National Profile Area;
 - (ii) you have met the National Spread Benchmark for Q2 to Q4 Period, if in both National Profile Areas the number of your Failed SSCs during the Q2 to Q4 Period is no greater than the SSC Permitted Variance Number for each National Profile Area;
 - (iii) Where we measure data in accordance with the Quarterly Assessments as set out in paragraph 3.1(b) above, you have met the National Spread Benchmark for each of Q2 Period, Q3 Period and Q4 Period, if in both National Profile Areas the number of your Failed SSCs, whether measured on a quarterly or cumulative basis, is no greater than the SSC Permitted Variance Number for each National Profile Area.
- (d) Paragraph 4.3 of Option A of Schedule 3: Price Plans, National Price Plan One shall be amended to read as follows:
- 4.3 If you do not meet the National Spread Benchmark, we may levy National Spread Surcharges calculated in accordance with paragraph 5, provided that:
- (i) if you do not meet the National Spread Benchmark for the Q1 Period, we shall not levy any National Spread Surcharges in respect of the Q1 Period;
 - (ii) we reserve the right to reduce or waive any National Spread Surcharges that you may be liable for in respect of your End of the Year Assessment (regardless of how this is calculated under paragraph 3.1(b) above) by such proportion as we deem reasonable.
- (e) A new paragraph 6.1A shall be added to Option A of Schedule 3: Price Plans, National Price Plan One as follows:
- 6.1A For the purposes of the End of the Year Assessment in respect of your conformance with the Urban Density Benchmark:
- (i) for the Q1 Period, we shall measure your Urban SSC Percentage for each SSC and compare it to the Urban Density Benchmark for that SSC during the Q1 Period, but this data shall not be taken into account for the purposes of the End of the Year Assessment;
 - (ii) for the Q2 to Q4 Period, we shall measure your Urban SSC Percentage for each SSC and compare it to the Urban Density Benchmark for that SSC during the Q2 to Q4 Period. Unless we decide to base our measurements on the basis of the Quarterly Assessments as set in paragraph 3.1(b) above, this data shall be taken into account for the purposes of the End of the Year Assessment on a cumulative basis; and
 - (iii) where we base our measurements on the Quarterly Assessments as set out in paragraph 3.1(b) above, then for each of Q2 Period, Q3 Period and Q4 Period we shall measure your Urban SSC Percentage for each SSC and compare it to the Urban Density Benchmark for that SSC in each quarter. We reserve the right (acting reasonably) to decide whether any data measured on a quarterly basis under this paragraph 4.1(iii) should be discounted from the End of the Year Assessment and

any remaining data in respect of our Daily Postings until the end of the 2020/2021 Financial Year will be assessed on a cumulative basis.

- (f) Paragraph 7.1 of Option A of Schedule 3: Price Plans, National Price Plan One shall be amended to read as follows:

7.1 During the 2020/2021 Financial Year, for any SSC for which your Urban SSC Percentage is greater or less than the Urban Density Benchmark by more than the Urban Permitted Variance:

- (i) for the Q1 Period, we shall multiply the percentage by which you fall short of or exceed the Urban Permitted Variance for that SSC by your total volume for that SSC during the Q1 Period to arrive at a number of Mailing Items for that SSC which represents that percentage shortfall or excess;
- (ii) for the Q2 to Q4 Period, we shall multiply the percentage by which you fall short of or exceed the Urban Permitted Variance for that SSC by your total volume for that SSC during the Q2 to Q4 Period to arrive at a number of Mailing Items for that SSC which represents that percentage shortfall or excess; and
- (iii) where we base our measurements on the Quarterly Assessments as set out in paragraph 3.1(b) above, we shall multiply the percentage by which you fall short of or exceed the Urban Permitted Variance for that SSC, whether measured on a quarterly or cumulative basis, by your total volume for that SSC to arrive at a number of Mailing Items for that SSC which represents that percentage shortfall or excess.

We will not take any action in respect of your volume of Mailing Items posted during the Q1 Period. If we determine as part of the Quarterly Assessments or the End of the Year Assessment that you have posted an excess amount of Mailing Items by reference to the Urban Permitted Variance, you will not be liable for any Profile Surcharges in respect of this benchmark. If we determine as part of your Quarterly Assessments or End of the Year Assessment that there is a shortfall in the volume of Mailing Items you posted during the Q2 to Q4 Period, Q2 Period, Q3 Period or Q4 Period (as applicable), whether measured on a quarterly or cumulative basis by reference to the Urban Permitted Variance, you will be liable for a Urban Density Surcharge Rate per Mailing Item for the relevant period, however we reserve the right to reduce or waive such surcharge by such proportion as we deem reasonable.

- (g) Paragraph 10.1 of Option A of Schedule 3: Price Plans, National Price Plan One shall be amended to read as follows:

10.1 If this Contract terminates or you change or terminate this Price Plan during the 2020/2021 Financial Year, we shall not levy Profile Surcharges in respect of the Q1 Period but we may levy Profile Surcharges in respect of any period from the start of the Q2 to Q4 Period to the date of change or termination of this Price Plan or termination of the Contract (which we refer to in this paragraph as an Abbreviated Contract Year).

- (h) Paragraph 11.1 of Option A of Schedule 3: Price Plans, National Price Plan One shall be amended to read as follows:

11.1 We shall not exercise our right to transfer you to the Zonal Price Plan under paragraph 11.1 Option A of Schedule 3: Price Plans, National Price Plan One if the number of items incurring Profile Surcharges that would trigger this right have been posted during the Q1 Period.

3 Changes to the Contract if you have opted for Averaged Price Plan Two (Zones)

3.1 The changes detailed in this paragraph 3 will take effect 190 days from the date of this notice and will apply only to your Daily Postings during the 2020/2021 Financial Year. Unless an existing paragraph of Option B of Schedule 3: Price Plans, Averaged Price Plan Two (Zones) is specifically amended by this notice, it shall continue to apply un-amended to your Daily Postings during the 2020/2021 Financial Year.

3.2 In accordance with paragraph 9.2 of Option B of Schedule 3: Price Plans, Averaged Price Plan Two (Zones):

(a) Paragraph 3.1 of Option B of Schedule 3: Price Plans, Averaged Price Plan Two (Zones) shall be amended to read as follows:

3.1(a) The geographic spread of your Daily Postings under this Price Plan during the Q1 Period will be measured against the Royal Mail Zonal Posting Profile in each Zone during the Q1 Period and such data will not be used for your End of the Year Assessment.

3.1(b) For your End of the Year Assessment, the geographic spread of your Daily Postings under this Price Plan will be measured against the Royal Mail Zonal Posting Profile in each Zone by reference to your actual Daily Postings during the Q2 to Q4 Period, unless we base this measurement on the Quarterly Assessments we carry out under this Price Plan in paragraph 5.1 in respect of any or all of Q2 Period, Q3 Period and Q4 Period.

(b) A new paragraph 4.8 shall be added to Option B of Schedule 3: Price Plans, Averaged Price Plan Two (Zones) as follows:

4.8 In respect of the 2020/2021 Financial Year:

(i) we will determine whether you have met the Royal Mail Zonal Posting Profile during the Q1 Period by reference to your actual Daily Postings during the Q1 Period, but this data shall not be taken into account for the purposes of the End of the Year Assessment;

(ii) we will determine whether you have met the Royal Mail Zonal Posting Profile during the Q2 to Q4 Period by reference to your actual Daily Postings during the Q2 to Q4 Period. Unless we decide to base our measurements on the basis of the Quarterly Assessments as set in paragraph 3.1(b) above, this data shall be taken into account for the purposes of the End of the Year Assessment on a cumulative basis; and

(iii) Where we decide to base our measurements on the basis of the Quarterly Assessments as set in paragraph 3.1(b) above, then for each of Q2 Period, Q3 Period and Q4 Period, we will determine whether you have met the Royal Mail Zonal Posting Profile during each of those quarters. We reserve the right (acting reasonably) to decide whether any data measured on a quarterly basis under this paragraph 4.8(iii) should be discounted from the End of the Year Assessment and any remaining data in respect of your Daily Postings until the end of the 2020/2021 Financial Year will be assessed on a cumulative basis.

(c) A new paragraph 5.1A shall be added to Option B of Schedule 3: Price Plans, Averaged Price Plan Two (Zones) as follows:

5.1A We shall not levy a Profile Surcharge if you fail to meet the Royal Mail Zonal Posting Profile during the Q1 Period. We also reserve the right to reduce or waive any Profile Surcharges that you may be liable for in respect of your End of the Year Assessment (regardless of how this is calculated under paragraph 3.1(b) above) by such proportion as we deem reasonable.

(d) Paragraph 7.1 of Option B of Schedule 3: Price Plans, Averaged Price Plan Two (Zones) shall be amended to read as follows:

7.1 If this Contract terminates or you change or terminate this Price Plan during the 2020/2021 Financial Year, we shall not levy Profile Surcharges in respect of the Q1 Period, but we may levy Profile Surcharges in respect of any period from the start of the Q2 to Q4 Period to the date of change or termination of this Price Plan or termination of the Contract (which we refer to in this paragraph as an Abbreviated Contract Year).

(e) Paragraph 8.1 of Option B of Schedule 3: Price Plans, Averaged Price Plan Two (Zones) shall be amended to read as follows:

8.1 We shall not exercise our right to transfer you to the Zonal Price Plan if the positive Weighted Average Price Variance Percentage exceeds 15 per cent due to your Daily Postings during the Q1 Period.

4 Changes to the Contract if you have opted for the Regional Price Plan (Zones)

4.1 The changes detailed in this paragraph 4 will take effect 190 days from the date of this notice and will apply only to your Daily Postings during the 2020/2021 Financial Year. Unless an existing paragraph of Option D of Schedule 3: Price Plans, Regional Price Plan (Zones) is specifically amended by this notice, it shall continue to apply un-amended to your Daily Postings during the 2020/2021 Financial Year.

4.2 In accordance with the provisions of clause 13.2.1(a) of the General Access Terms and Conditions:

(a) Paragraph 3.1 of Option D of Schedule 3: Price Plans, Regional Price Plan (Zones) shall be amended to read as follows:

3.1(a) The zonal geographic spread of your Daily Postings under this Price Plan during the Q1 Period for each chosen Region will be measured against the Royal Mail Zonal Posting Profile specific to that Region during the Q1 Period and such data will not be used for your End of the Year Assessment.

3.1(b) For your End of the Year Assessment, the zonal geographic spread of your Daily Postings under this Price Plan will be measured against the Royal Mail Zonal Posting Profile specific to that Region during the Q2 to Q4 Period unless we base this measurement on the Quarterly Assessments we carry out under this Price Plan in paragraph 4.1 in respect of any or all of Q2 Period, Q3 Period and Q4 Period.

(b) A new paragraph 3.1A shall be added to Option D of Schedule 3: Price Plans, Regional Price Plan (Zones) as follows:

3.1A In respect of the 2020/2021 Financial Year:

(i) we will determine whether you have met the Royal Mail Zonal Posting Profile during the Q1 Period by reference to your actual Daily Postings during the Q1 Period, but this data shall not be taken into account for the purposes of the End of the Year Assessment;

(ii) we will determine whether you have met the Royal Mail Zonal Posting Profile during the Q2 to Q4 Period by reference to your actual Daily Postings during the Q2 to Q4 Period. Unless we decide to base our measurements on the basis of the Quarterly Assessments as set in paragraph 3.1(b) above, this data shall be taken into account for the purposes of the End of the Year Assessment on a cumulative basis; and

(iii) Where we decide to base our measurements on the basis of the Quarterly Assessments as set in paragraph 3.1(b) above, then for each of Q2 Period, Q3 Period

and Q4 Period, we will determine whether you have met the Royal Mail Zonal Posting Profile during each of those quarters. We reserve the right (acting reasonably) to decide whether any data measured on a quarterly basis under this paragraph 3.1A(iii) should be discounted from the End of the Year Assessment and any remaining data in respect of your Daily Postings until the end of the 2020/2021 Financial Year will be assessed on a cumulative basis.

- (c) A new paragraph 3.5 shall be added to Option D of Schedule 3: Price Plans, Regional Price Plan (Zones) as follows:
 - 3.5 We shall not levy a Profile Surcharge if you fail to meet the Royal Mail Zonal Posting Profile during the Q1 Period. We also reserve the right to reduce or waive any Profile Surcharges that you may be liable for in respect of your End of the Year Assessment (regardless of how this is calculated under paragraph 3.1(b) above) by such proportion as we deem reasonable.
- (d) Paragraph 6.1 of Option D of Schedule 3: Price Plans, Regional Price Plan (Zones) shall be amended to read as follows:
 - 6.1 If this Contract terminates or you change or terminate this Price Plan during the 2020/2021 Financial Year, we shall not levy Profile Surcharges in respect of the Q1 Period but we may levy Profile Surcharges in respect of any period from the start of the Q2 to Q4 Period to the date of change or termination of this Price Plan or termination of the Contract (which we refer to in this paragraph as an Abbreviated Contract Year).
- (e) Paragraph 7.1 of Option D of Schedule 3: Price Plans, Regional Price Plan (Zones) shall be amended to read as follows:
 - 7.1 We shall not exercise our right to transfer you to the Zonal Price Plan if the total number of your Mailing Items exceeding the permissible amount in each Zone exceeds 15 per cent of your annual volume of Mailing Items during the Q1 Period.

Yours sincerely,



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